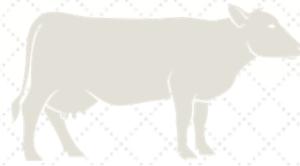


MILK MATTERS

THE ROLE
OF
DAIRY IN VERMONT



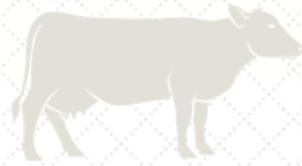


In 2014, The Vermont Dairy Promotion Council partnered with The Vermont Agency of Agriculture, The Agency of Commerce, and Castleton Polling Institute to assess the impact of the dairy industry in Vermont.

This presentation outlines key findings.

Today's **Agenda**

- Snapshot of Vermont's Dairy Industry
- Dairy & the Vermont Landscape
- Dairy's Role in Vermont Agriculture
- The Economic Impact of Vermont Dairy
- Dairy & Our Way of Life
- Dairy & The Vermont Brand
- Challenges & Opportunities
- Q&A with Ken Jones



The Basics:

*What does Vermont's Dairy
Industry Look Like?*

WHAT VERMONT DAIRY LOOKS LIKE TODAY



134,132
Dairy Cows
in Vermont¹

[mostly Holstein & Jerseys]



868
Dairy Farms
in Vermont



321.25
MILLION
gallons of Vermont
milk sold each year
[or 2.57 billion pounds]



5%
of milk produced
in Vermont is
Certified Organic



< 1%
of Vermont dairy
farms produce
non-bovine milk
[goat, sheep]

Data compiled from the 2012 Census of Agriculture, with 1/2015 updates from the Vermont Agency of Agriculture, Food, and Markets

WHAT VERMONT DAIRY LOOKS LIKE TODAY

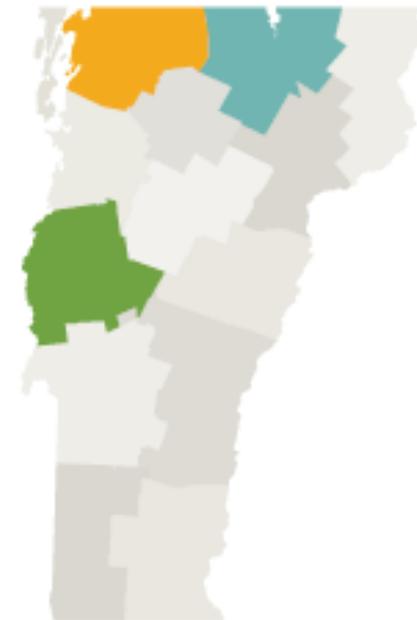
	# of farms	# of dairy cows
Addison	124	32,498
Bennington	16	1,429
Caledonia	73	6,739
Chittenden	39	5,065
Essex	11	1,841
Franklin	184	35,736
Grand Isle	14	3,330
Lamoille	34	2,856
Orange	84	8,618
Orleans	131	21,081
Rutland	67	4,687
Washington	35	4,368
Windham	20	3,069
Windsor	36	2,826
State Total:	868	134,132

Concentration of dairy farms:

Franklin County
26.1%

Orleans County
15.3%

Addison County
26.2%



WHAT VERMONT DAIRY LOOKS LIKE TODAY

749 Small Farms
(<200 cows)
82%



Farr Family Farm
Richmond

130 Medium Farms
(200-699 cows)
15.1%

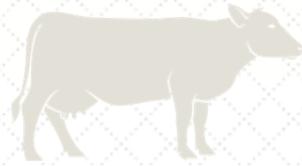


Gingue Brothers Dairy
Fairfax & Westford

25 Large Farms
(700+ cows)
2.8%



Blue Spruce Farm
Bridport

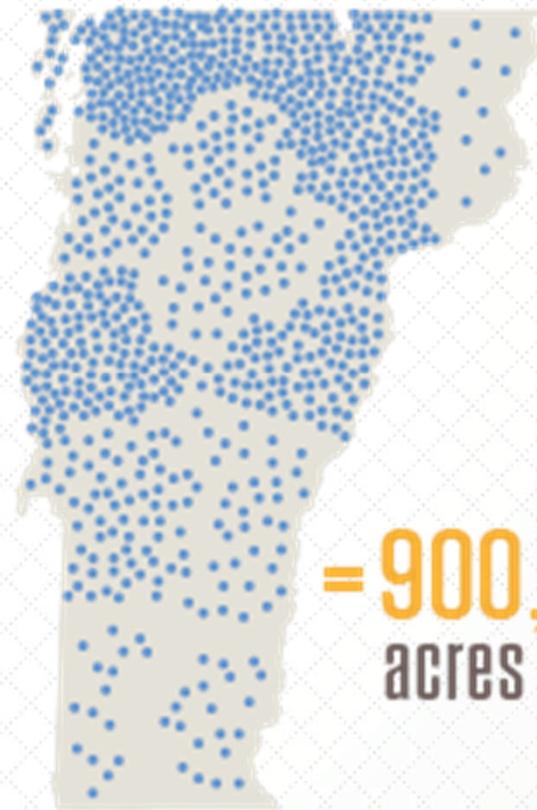


*Our Landscape:
How Does Dairy Shape Vermont
our Working Landscape?*

THE ROLE OF DAIRY IN VERMONT'S LANDSCAPE

15%
OF THE STATE

is covered by dairy
farms and the fields that
provide their feed



= 900,000
acres



In Context:

*What Role Does Dairy Play in the
Overall “Ag Economy?”*

THE ROLE OF DAIRY IN VERMONT AGRICULTURE

OVER 80%

of Vermont's farmland is devoted
to dairy and crops for dairy feed

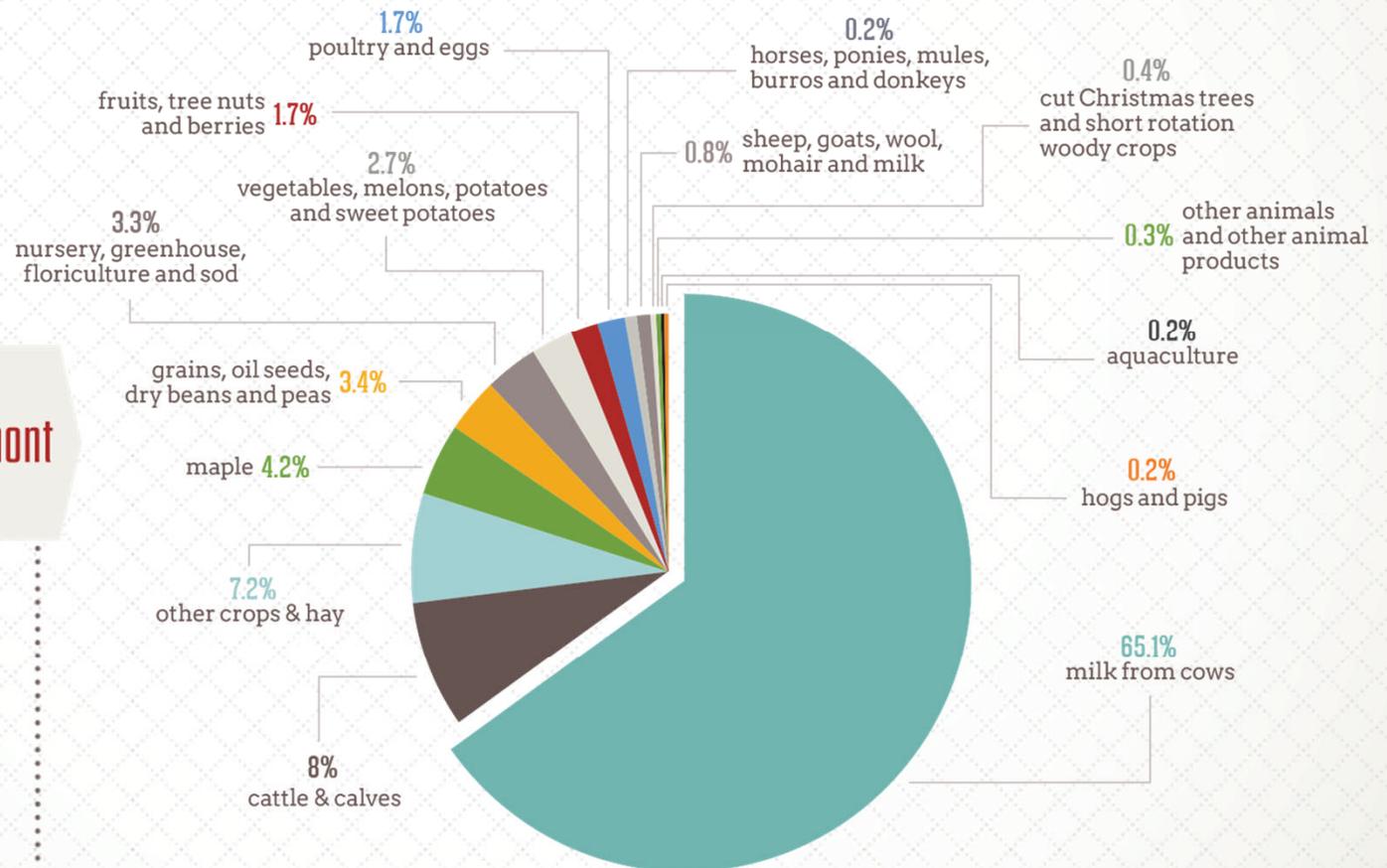
**DAIRY IS
70%** of Vermont's
Agricultural Sales

THE ROLE OF DAIRY IN VERMONT AGRICULTURE

Share of Agricultural Products Sold in Vermont

[based on market value]

Milk generates more sales than any other Vermont agricultural product...



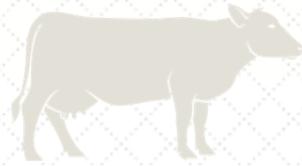
US Census of Agriculture 2012: Ranking of Market Value of Agricultural Products Sold, Vermont

THE ROLE OF DAIRY IN VERMONT AGRICULTURE

Small State, Big Impact

63% of milk produced
in New England

COMES FROM VERMONT



*Our Economy:
How Important is Dairy to
Vermont's Economy?*

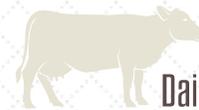
AT THE HEART OF THE VERMONT ECONOMY

Dairy businesses invest
\$500 MILLION+
to support Vermont's agricultural
economy every year



Every Vermont dairy cow provides **\$12,500**
in economic activity to the state annually

Every day:



Dairy brings approximately
\$3 MILLION
in circulating cash to the state of Vermont

It's not just cows:

The Vermont sheep and goat-based dairy
business is small but growing steadily.



In 2012, the revenue from sheep
& goat farming (including wool
and mohair production) was

\$5 MILLION+

AT THE HEART OF THE VERMONT ECONOMY



\$1.3 billion+



Annual Sales of Vermont Dairy Products
& By-Products = **\$1.3 BILLION+**

AT THE HEART OF THE VERMONT ECONOMY

Each year

VERMONT DAIRY BRINGS
\$2.2 BILLION

in economic activity to the
state of Vermont

\$2.2 Billion in economic activity includes:

- **VALUE OF PRODUCTS SOLD**
- **INDUCED IMPACTS**
[dairy business' wages and profits effects
on the local economy]
- **SECONDARY IMPACTS**
[benefits to local agriculture, tourism,
real estate, and more]

A GOOD LIVING

QUALITY JOBS WITH A SENSE OF PLACE



dairy =
6,000-7,000
VERMONT JOBS



PROVIDES
\$360 MILLION
in wages & salaries



A GOOD LIVING

QUALITY JOBS WITH A SENSE OF PLACE

Dairy is one of Vermont's top job providers

Vermont's Dairy Workforce vs Other Vermont Industries

INDUSTRY	NUMBER OF JOBS
Dairy	6,000–7,000
Machinery Manufacturing	2,761
Computer & Electronics Manufacturing	6,849
Grocery Stores	8,055

A GOOD LIVING

QUALITY JOBS WITH A SENSE OF PLACE

Vermont's Key Private Employers: [a sample]

employer	employees
University of Vermont Health Center <i>(formerly Fletcher Allen Health Care)</i>	5,383
UVM	3,446
Keurig Green Mountain	2,196
Shaw's Supermarket	1,600
Dealer.com	817
Burton Snowboards	375

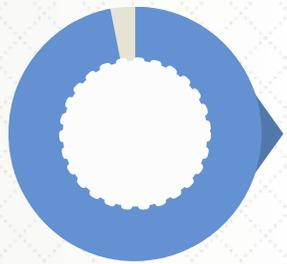
Vermont Business Magazine, November 2014



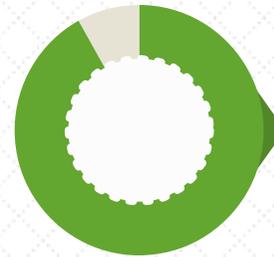
*Our Quality of Life:
How Do Vermonter's Perceive
Dairy's Impact on our Way of Life?*

DAIRY IS VITAL TO THE VERMONT WAY OF LIFE

What do Vermonters think about Dairy?



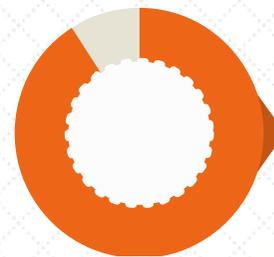
97%
say dairy farms are
important to the state



92%
say dairy farms add to
the beauty of Vermont



93%
agree that dairy is important
to Vermont's economy

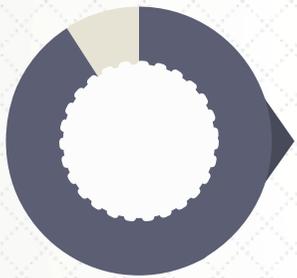


91%
say it's important to
Vermont's quality of life

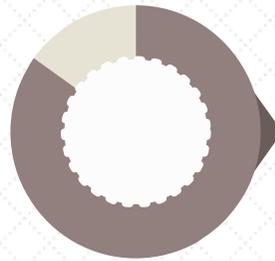
DAIRY IS VITAL TO THE VERMONT WAY OF LIFE

What do Vermonters think about Dairy?

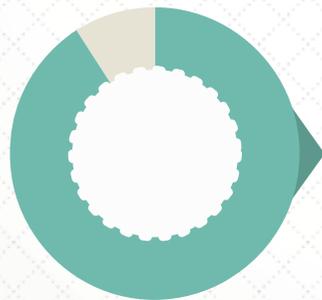
A polling of Vermonters shows that:



91%
say dairy is important
to Vermont's future



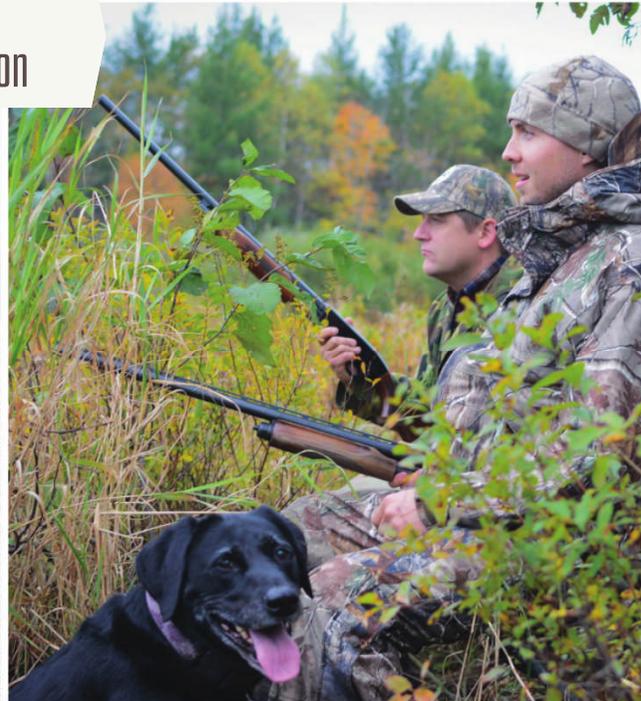
85%
are willing to pay a little more
to insure their dairy products
are sourced from Vermont



91%
believe buying locally-produced
products is important

DAIRY IS VITAL TO THE VERMONT WAY OF LIFE

66% of Vermonters use
farmland for recreation



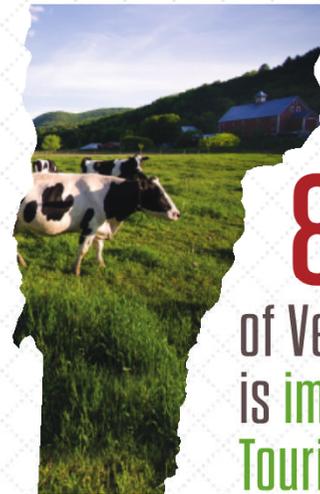


*The Vermont Brand:
What Role does Dairy Play in the
Vermont Brand?*

DAIRY IS ESSENTIAL TO THE “VERMONT BRAND”

Dairy farms are key to attracting over

13.5 MILLION
VISITORS to Vermont
every year



84%

of Vermonters agree Dairy
is **important to Vermont's**
Tourism Industry

from the “Vermonters’ Views
on Dairy” poll

DAIRY IS ESSENTIAL TO THE “VERMONT BRAND”

Vermont is a Food Destination



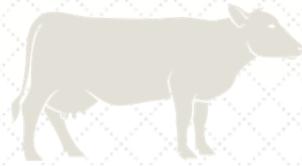
Vermont Cheesemakers
Festival is lauded by NYT,
CNN, Fodors



Ben & Jerry's is VT's #1
Tourism Destination



Interest in food & farming
is growing, & VT delivers
“authentic” experiences



*The Future:
Where are we Headed?*

LOOKING FORWARD

THE FUTURE OF VERMONT DAIRY

Technology & Sustainability

16+ Digesters

20 Robotic Milkers

Energy Efficiency



Photo: Aegis Renewable Energy



Photo: Blue Spruce Farm

LOOKING FORWARD

THE FUTURE OF VERMONT DAIRY

Challenges & Opportunities

- Generational Transitions
- Labor & Immigration
- Volatile Milk Prices
- Water Quality



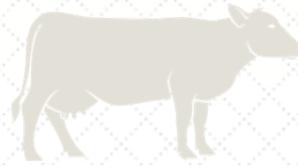
TODAY MORE THAN EVER MILK MATTERS

There's hard work ahead...but it's worth it

- ▶ **63%** of milk produced in New England comes from Vermont.
- ▶ Dairy brings **\$2.2 BILLION** in economic activity each year.
- ▶ Dairy represents **70%** of the state's agricultural sales.
- ▶ Over **80%** of Vermont farmland is devoted to dairy and crops for dairy feed.
- ▶ Dairy is one of Vermont's top private employers, providing **6,000-7,000** jobs (and \$360 million in wages and salaries).

- ▶ Every Vermont dairy cow provides **\$12,500** in economic activity to the state annually.
- ▶ Dairy helps shape Vermont's unique landscape, which attracts more than **13.5 MILLION** visitors each year.
- ▶ Vermonters are positive about dairy: **91%** say dairy is "important to our state's future."
- ▶ Every day, dairy brings in approximately **\$3 MILLION** in circulating cash to the state of Vermont.





Visit www.VermontDairy.com for more data & details



Questions?

